The Human Resource frame naturally plays a pivotal role within any organization, regardless of its nature. Important contentions to keep in mind, are that employees form the backbone of an organization and the appeasement of their needs and wants is almost as significant as the appeasement of a customers' needs and wants. Especially with boutiques and fashion outlets like Armani Exchange, the employees personify the image of the organization within the eyes of the customer. Any errors or mistakes conducted on the employees part, is likely to be directly attributed to the organization in question. Likewise, an extremely good impression cultivated by the employees is also likely to be directly translated towards the organizations benefit. Thus, the satisfaction of its employees is integral in mitigating the effects of negative events, like the one in our situation description.

The root cause of our situation emanated from a lack of respect shown towards a customer, on the behalf of an employee, and so the focus of this frame will center around sales representatives and upper management. This frame will look to breakdown the event, analyse the context behind it's triggering events and effects, draw comparisons with relevant management theories, and look to formulate the necessary recommendations.

Firstly, it is important that we establish the context behind the scenario. Even though Armani is pre-dominantly recognized as a luxury line, it has implemented several brand extension schemes in order to access larger, more diverse markets. As a result, we have the likes of Emporio Armani and Armani Baby. Armani Exchange, the store specific to our situation, is the outlet recognized to be targeting the more youthful and urban customer and this is reflected in their promotion strategies, prices and employees. It is important to note, however, that despite that tangible differences between the myriad of Armani brands, employees still face similar levels of pressure exerted by upper management. Despite the clear differences in overall objectives, targeted demographics and price range of products, the dominant focus remains on enhancing productivity by maintaining a high level of competition among its sales representatives. The significance of fostering such an environment is touched upon by Bolman and Deal ( pg. 114 ), who explains that "Everyone knows that organizations can be alienating, dehumanizing, and frustrating. Such conditions waste talent, distort lives, and motivate people to pull out or fight back, devoting much of their time and effort to beating the system. The human resource frame offers another possibility: an organization can also be energizing, productive, and mutually rewarding."

One of the keystone assumptions of the Human Resource Frame is that "organizations exist to serve human needs" and "when the fit between individual and system is poor, one or both suffer. Individuals are exploited or exploit the organization-or both become victims" ( pg.115 ) Drawing parallels to the natural eco-systems that surround us, studies have showed that employees are recognized to be moulded according to their workplace environment. The significance of their work environment is such that it is integral to their survival and evolution. As a result, there are many factors of consideration to take into account when dealing with an organizations relationship with its employees, and one of the prevalent concerns is the fulfillment of basic needs.

List Maslow's Hierarchy of Needs.

In the case of Armani, and Armani Exchange in particular, our studies have revealed several conflicts of needs with relevance to our Situation. More specifically, we have deduced that the root cause of the employee's ignorance towards the customer, is a direct result of Armani failing to address the needs of "Belongingness", "Esteem", and "Self- Actualization". This contention is backed up by interviews conducted with previous Armani employees, which indicates an unhealthy pattern of fostering favoritism, competition and rivalry amongst untrained sales staff. Excerpts from individual interviews can be found in APPENDIX .

As shown in the interviews, there exists a plethora of barriers constricting Armani Exchange sales staff from achieving their maximum potential, or gaining maximum job satisfaction, as employees. The primary issues of concern surround the notion of commission based salaries , the lack of a professional employee integration program, and the involvement of upper management in generating or poaching sales.

Commission based salaries, as a productivity incentive, functions as a double edged sword. From an organizations standpoint, it correlates a definitive relation between effort and pay on the behalf of the employees, and as such, can lead to higher rates of efficiency. From the perspective of a salesperson, it can lead to unnecessary, rabid and malicious competitiveness among fellow staff - leading to a direct opposition of Maslow's need for "belongingness and love". Further evidence of Armani Exchange's lack of consideration towards its employees is manifested in the form of controversial news reports that point towards wrongful termination and discrimination based on health and religious preferences - yet another notion that directly ignores the human need for belongingness and security.

This fundamental need is further jeopardized alongside the needs of "Esteem" and "Self-Actualization" with Armani Exchange's program that incorporates managers within the commission scheme. Such a program effectively entails that an employee is in competition with his/her entire work environment as even the manager can poach sales ( as demonstrated by several interviews in APPENDIX ) This directly puts the employee at odds against upper/middle management, and can lead to multiple organizational conflicts.

The lack of a comprehensive employee training program also has its fair share of negative side-effects to accompany the cost-cutting benefits. Whereas the cost-saving measures are clear for all to see, this can directly lead to conflicts in the workplace emanating from a lack of experience and co-ordination among employees.

" Global competition, turbulence, and rapid change have heightened an enduring organizational

dilemma: Is it better to be lean and mean, or to invest in people? Emerging evidence suggests that downsizing has often produced disappointing results. Many highly successful organizations have gone in another direction: investing in people on the premise that a highly motivated and skilled workforce is a powerful competitive advantage." ( pg. 132 )

There are two managerial strategies that can be implemented in deducing the nature of such employee conflict, and the events that are commonly recognized to follow.

Firstly, we have McGregor and managers can fall under either one of his two schools of thought : Theory X and Y . Theory X entails that managers consider employees as lazy, passive and having minimal ambition with wages being the only incentive. Such a version emphasizes the need for managerial tactics like "coercion , tight controls, threats, and punishments" ( pg.117 ). Conversely, theory Y entails the recognition of an employees need for physiological satisfaction and methods to promote this includes the alignment of organization values in accordance with "employee self interest". ( pg. 118 )

Failing to meet these requirements, and the lack of substantial investment in employees can lead to several patterns, as discussed by Chris Argyris. He narrowed down that people tend to follow one of 6 trends, when dealing with organizational conflict :

 withdraw

 become apathetic, passive, indifferent

 resist (sabotage, featherbedding, deception)

 try to climb hierarchy to better jobs

 form groups (unions)

 teach children negative things about work

Clearly illustrated among the tirade of employee complaints, are patterns of withdrawal, becoming apathetic, resisting, and attempts to climb hierarchy. All these aspects can be directly attributed to the influence exerted by Armani Exchange and its management policies. This contention has its evidentiary foundations centered around the fact that "Argyris and McGregor formed their views on the basis of observations of American organizations in the 1950s and 1960s. Since then, investigators everywhere have documented similar conflicts between people and organizations. Orgogozo (1991), for example, contended that typical French management practices caused workers to feel humiliation, boredom, anger, and exhaustion “because they have no hope of being recognized and valued for what they do” (p. 101).As a result, it is imperative that AX attempts to align itself under McGregor's theory Y, as opposed to theory X, in order to appeal to basic self actualization requirements and successfully mitigate conflict in accordance with Argyris' trends.

Recommendation

APPENDIX A ( Interviews )

Armani Exchange Sales Associate ( Past Employee - 2011 )

" The competitiveness. Sales is EVERYTHING. You are expected to sell a certain amount per hour. Even if the store is closed. I worked at a place where there were a lot of Asian tourists that couldn't speak English, so even though I made a sale to them, they weren't able to tell the person working the register, making that sale I have invalid. Coworkers steal your sales. People working register play favoritism and give sales to others, even if it was yours. NO training. "

**Armani Exchange Sales Associate** (Current Employee)

" sales incentives can be difficult to hit if you are not self motivating. Senior management should develop a better sales training program ! "

**Armani Exchange Sales Associate** in **Costa Mesa, CA**:   (Past Employee - 2011)

" Sometimes you are stuck with all closing shifts and that works against your sales goals. Sales goal incentives are kind of high because of the amount of money the store brings in. and it does not fluctuate according to the actual amount that statistics has for the stores sales in any given month. sometimes its unfair to have to sell against your teammates when theres a lot of sales people on the floor. a lot of strong personalities here so be on your toes and watch your sales like a hawk. "

**Armani Exchange** **Sales Associate**:   (Past Employee - 2012)

" Management acted on emotion rather than staying professional. Unrealistic sales goals for the amount of store traffic. Favoritism obvious among staff. Commission hard to attain with low traffic "

Armani Exchange Anonymous contributor ( Past Employee - 2012 )

" The newlywed stage is wonderful. It after that time that it all goes down hill. Senior management is never satisfied with store results from a high volume or low volume store. Work from open to close and even on days off in order to keep yourself from getting written up and even then it may still happen. Some Sunday work days 1 manager coverage with no break until the store closes. Or just inhale your lunch as if you were taking a bathroom break due to the fact that a manager you cannot be off the floor. The only positive was to learn about the companys culture and its commission based structure."

**Armani Exchange Sales Associate** in **San Francisco, CA**:   (Current Employee)

-The whole commission thing. Commission is really difficult (nearly impossible) to get. You basically have to have an average "Sales per hour" (SPH) of $500+ in order to get 2% of your sales. If you don't achieve this average, even if you're a great associate, you don't get commission.  
  
-Note: There is another option for commission but, it is so little that it's almost not worth it.  
  
-The atmosphere on the sales floor is almost unbearable at times. Because we have the VERY small chance of getting commission, it's extremely competitive and really awkward a lot of the time. And on top of it all, our sales are posted for everyone to see each week and that determines how many hours we get. Also opening and closing hours are calculated into our sales. So, say you show up at work for 4 hours starting at 7am and sell $1000. But the store doesn't open until 9am. Your sales per hour will only be $250 and not $500 like it should be. This is stupid and doesn't make sense on any level.  
  
-People Will Steal Your Sales! Including managers. I had a manager steal a $200 sale. I helped a client pick out a product, told him a bunch of info, told him about the sale we had going on (which he didn't know about), convinced him AND his friend to make the purchase, and got them the products from the stockroom. When I got to the register, a manager said "oh I was helping one of those guys before you did" and took the sale. Like okay if you were, you should have said something AND if you were, he would have already known about the sale we had.  
  
-There is little to no training for associates which creates huge problems. It's sometimes embarrassing because a lot of the other associates don't really know the products or basic things about fashion and retail. I constantly overhear conversations other associates are having with clients and am shocked by what I hear. Then, I am asked a question by a client and have to contradict what another associate told them because either they weren't properly trained or weren't given proper/clear information by the managers.

-Lead. Seriously there could be a lot of improvement if the managers were just clear and direct in what they expected. If you're not completing your task fast enough, you should be told or assigned a different task.  
  
-Managers shouldn't have sales goals. It's counter-productive and interferes with sales associates' selling goals.  
  
-Train new employees. I really can't get over the fact that there is barely any training. Someone shouldn't be working in a store when they don't know the difference between leather & PVC, silver & steel, or synthetic fibers & wool. Not only that but, if someone doesn't know basic information about the products they're selling, it makes the company (and the other associates) look bad.